

By showing respect for our flag, we show reverence for the ideals that guide our Nation and we show appreciation for the men and women who have served in defense of those ideals.

I commend the Senators from both parties who voted to allow the amendment ratification process to protect our flag to go forward, and continue to believe that the American people deserve the opportunity to express their views on this important issue.

NOTE: The statement referred to S.J. Res. 12.

**Letter to the Speaker of the House of Representatives Transmitting Budget Amendments for International Assistance Programs**

*June 27, 2006*

*Dear Mr. Speaker:*

I ask the Congress to consider the enclosed FY 2007 Budget amendments for International Assistance Programs. The total discretionary budget authority in my FY 2007 Budget would not be increased by these requests.

The details of this proposal are set forth in the enclosed letter from the Director of the Office of Management and Budget.

Sincerely,

**George W. Bush**

**Remarks Following a Meeting With Military Personnel in St. Louis, Missouri**

*June 28, 2006*

I want to thank you all for coming. I just had a discussion with fellow citizens in the Guard, Reserve, and active duty who have been in both Iraq and Afghanistan. I want to thank you for sharing your insights with me. Thank you for your service to the country.

I told these men and women that their service is necessary for the security of the United States of America and that they're serving in historic times. And one day, their children will be able to look back and say, "My dad or my mom went to Iraq and Af-

ghanistan and helped a young country become a democracy, and therefore, the world is more peaceful for it."

One of the things I am going to do is, I'm going to meet with the family members of these good people and express our country's gratitude for their service as well. A lot of times, military families don't get proper thanks, and I can't wait to meet your loved ones and tell them firsthand that the country appreciates your service.

One thing I told these good folks is that this country stands with the people wearing our Nation's uniform. We're with you. We know the work is hard, but the work is necessary. And we're winning—and we're winning. And the world is going to be better off because of your courageous service, and I thank you for it.

Thanks for letting me come by and visit. I appreciate it.

NOTE: The President spoke at 3:41 p.m. at the VFW Overland-St. Ann Memorial Post 3944.

**Remarks at a Dinner for Senatorial Candidate James M. Talent in St. Louis**

*June 28, 2006*

**The President.** Thanks for coming. Thanks a lot. Thanks for the warm welcome.

**Audience Member.** Four more years! [Laughter]

**The President.** No more wife. [Laughter]  
Thanks for supporting Jim Talent. He is a decent, honorable, can-do man who deserves to be reelected to the United States Senate.

Laura and I are very fond of Jim and Brenda. Jim is very fond of Laura, to the point where he was hoping she would be the keynote speaker. [Laughter] But the Senator and I both married very well. You know, you cannot succeed in this line of work unless you've got a supportive family. It's really important. And the Talents have the right priorities—their faith and their family and their country. And that's another reason why he's a great United States Senator. So not only do I want to thank Jim for his service, I do want to

thank Brenda for being such a fabulous partner to Jim. And I also want to welcome Michael and Chrissy, the Talent children. Thanks for coming.

Laura sends her best. She not only sends her best to the Talents, she sends her best to Uncle Bucky and Aunt Patty. She sends her best to all our friends here in St. Louis. She is a fabulous First Lady, and I am proud to call her—proud she's my wife.

I want to thank your Governor for joining us, Matt Blunt, and Melanie. Thank you for serving. Governors can make a big difference in the States—the State in which they live, and you are doing just that.

Where's Branch? Yes. He was afraid he couldn't make it through the speech. [*Laughter*] It's good to see old Branch. I think I remember getting to know Branch kind of before Branch became Branch—[*laughter*—during the 2004 campaign. But thank you all for coming, and thanks for your service. I'll tell your old man you're doing all right. [*Laughter*]

I thank the Lieutenant Governor, Peter Kinder, for being here. Governor, it's good to see you again. Thanks for your service. I thank all the statehouse folks who are here. Thanks for serving. It's not an easy job to serve the communities in which you live, but it's important jobs. And so thanks for setting a good example.

I appreciate so very much my friend Jack Oliver, who happens to be the finance chairman for this effort. And Rachel—thanks for coming, Rachel. It's a pretty big sacrifice for you to be here tonight. Is there a doctor in the house? [*Laughter*]

I want to thank you all for—for those of you who organized this event. This is a big, successful event, and it takes a lot of hard work. So for all of those who have helped organize this event, thanks a lot. It's important. You can't win without friends. And the Talent for Senate race is a vital race for the United States of America, and you're helping him.

I want to thank the grassroots activists who are here. You're the folks who make the phone calls and put up the signs and turn out the vote. I want to thank you in advance for what you're going to do when we're coming down the stretch, which is to make sure

that Jim Talent is not only backed financially but backed with your hard work and labor. He deserves your support. He has got a record to run on. He has made the people of Missouri proud, and he needs to be sent back to Washington, DC, for 6 more years.

These are historic times in which we live, and it is essential that we have people in the United States Senate who are clear-eyed realists who see the world the way it is, not the way we would hope it would be. And the reason why it's important to have clear-eyed realists is because it's essential we do not forget the lessons of September the 11th, 2001. And one lesson is, is that in order to secure the homeland, we must defeat the enemy overseas so they do not hurt us here at home. And therefore, we must have a United States Senate who understands that we must stay on the offense in order to protect America.

The second lesson is that when you see a threat, you must deal with that threat before it fully materializes. What that means is, is that oceans can no longer protect us, and if there's an enemy out there that's willing to do us harm, we must have United States Senators who are willing to take action to protect the homeland. And Jim Talent understands the world in which we live.

Oh, I know some of them in Washington are trying to rewrite history. But we all saw a threat in Saddam Hussein. See, he had threatened his neighbors; he invaded his neighbors. He was a sworn enemy of the United States of America. He harbored terrorists. He had used weapons of mass destruction. He was hoping the world would look the other way so he could manufacture weapons of mass destruction, at the very least. He defied U.N. resolution after U.N. resolution. Republicans and Democrats looked at the same intelligence and saw a threat. And when he defied the U.N., we removed Saddam Hussein, and America and the world are better off for it.

Iraq is a central front in the war on terror; it's not the only front. Today I went to the VFW hall and was able to thank in person men and women who have served in both Afghanistan and Iraq, two crucial fronts in the war on terror. But Iraq is now the central front, and we've got a plan to succeed, a plan

for victory, a plan that will enable a new ally in the war on terror to govern itself, sustain itself, and defend itself as a free nation. The stakes are vital, and it is important that Missouri send a United States Senator who understands that retreat is not an option for the United States of America.

One thing about old Jim Talent, he understands what I understand, is that when you put a man or woman in uniform and ask them to go into harm's way, they deserve the full support of the United States Government. We will complete the mission, and I will make my judgments as to the troop levels necessary to achieve victory not based upon political polls or focus groups but based upon the measured judgment of our commanders on the ground.

Make no mistake about it: There's a group in the opposition party who are willing to retreat before the mission is done. They're willing to wave the white flag of surrender. And if they succeed, the United States will be worse off, and the world will be worse off. These are historic times. We will defeat the enemy by, one, bringing them to justice before they hurt us again, and we will defeat the enemy—we will defeat their hateful ideology by spreading liberty.

There's an interesting debate in the world today—it's an interesting debate as to whether or not liberty is universal or not. Jim Talent and I understand there's an Almighty; we understand a great gift of the Almighty is freedom for every man, woman, and child on this Earth. I'm not talking about just for Methodists or Texans. *[Laughter]* I'm talking about the universality of freedom. Everybody wants to be free, and everybody is desirous to be free. And freedom yields the peace we're looking for. The way to win this war on terror is not only to defeat the enemy abroad, but it's also to defeat them by spreading a hopeful ideology, an ideology which has worked in the past.

You see, tomorrow I'm going to have an interesting day—every day is interesting when you're the President. *[Laughter]* I'm going to welcome Prime Minister Koizumi from Japan. And so we'll have the deal tomorrow, which is going to be a lot of fun, there on the South Lawn. And then we'll meet and have the press conference and a

nice dinner. And then on Friday—Friday, we're going to Graceland. *[Laughter]* The Prime Minister, my dear friend, loves Elvis. *[Laughter]* So what better place to go.

Isn't it interesting, though, when you think about this moment in history compared to what life was like 60 years ago. You see, I guarantee you there's some folks here whose relatives were in combat against the Japanese, the sworn enemy of the United States, a nation which had launched an attack on our country, killing—by the way, we lost more on September the 11th than we did on Pearl Harbor. But, nevertheless, it was an attack on the Nation, and our Nation responded with force. President Roosevelt understood when you're going after an enemy, you use all your assets. That's what I understand too. If you're going to commit your military, you commit it, so we can achieve victory. That's what he understood.

And yet 60 years later, I'm meeting with the Prime Minister of the former enemy. I find that to be really interesting. One reason why I'm able to is because a fellow from Missouri named Harry S. Truman had faith in the universality of liberty. He understood that people desire to be free. And the reason I'm able to call Prime Minister Koizumi friend and ally is because Japan became a democracy in her own image, a democracy that recognizes the traditions and history of the Japanese people. Democracies don't fight each other. Democracies work together to yield the peace. Liberty has the capacity to change an enemy into a friend.

And what you're seeing today in the Middle East is the spread of liberty. And it's hard work. It's hard work to replace tyranny with democracy, but it's necessary work. We're laying the foundations for peace. Someday, an Iraqi leader will be coming to America to sit down and to help keep the peace, and generations of America will be safer for it. And Jim Talent understands the stakes.

I also appreciate the fact that he understands the nature of the enemy, and he understands we've got to be smart about how we defend the homeland. I've sworn to uphold the Constitution, and I will. I'm also expected to defend the United States of America. And when we think somebody from Al Qaida is calling in to somebody in the

United States from out of the country, we want to know why. We want to know why somebody is talking to Al Qaida, in order to protect the United States of America.

I told the American people we would defend ourselves. I remember all the kind of recommendations that we were getting, by the way, after 9/11. The 9/11 Commission took a look and said, "You need to do more on cutting off the money of the terrorist organizations." Newspapers editorialized: Make sure you do what you need to do to cut off their funding. One way to win the war on terror is to starve the enemy of money. I thought that made a lot of sense.

And so the Treasury Department launched a program to track the flow of terrorist money. See, we wanted to watch the money that the terrorists were moving around. It's one way to help protect the American people. It's one way for us to do the job that you've expected us to do. The program we put in place is legal. We got a lot of lawyers in Washington who scrutinize that which we do. It's legal. It has been briefed to the United States Congress. Like the terrorist surveillance program, this program of chasing terrorist financing was briefed to Members of Congress. We want them to understand what we're doing. We have an obligation in the executive branch to work with the legislative branch.

This program has been a vital tool in the war on terror. Last week, the details of this program appeared in the press. There can be no excuse for anyone entrusted with vital intelligence to leak it, and no excuse for any newspaper to print it.

The American people expect the Government to protect them. That's what you expect. It's our most important job. Jim Talent understands, our most important job is to protect the American people. And they want our people to have the tools necessary to achieve victory in the war on terror and to do our job. The disclosure of this valuable program makes it harder for us to identify terrorist cells and their activities. It makes it harder for us to build international cooperation. It makes it harder to protect the American people. It's tough enough to fight the terrorists; we shouldn't have to worry about news organizations revealing important

information that makes it more important—makes it more difficult to protect our country.

We'll uphold our values; we'll follow the law; and I will do everything in my power to protect the American people. And it's important to have a United States Senator like Jim Talent who understands the stakes.

One of the issues in this campaign is going to be who best to spend your money—you or the Federal Government. *[Laughter]* That's right. You know, it's amazing—I would hope people, when they go to the polls, would take a look at the economic record that we've achieved, a record that is really pretty remarkable when you think about what the economy has been through. We've been through a recession, a stock market correction, corporate scandals, an attack on the United States of America, two major theaters in the war on terror to defend ourselves, natural disasters, and high energy prices. And yet the economic growth of the United States is the envy of the industrialized world. The national unemployment rate is 4.6 percent. We've created millions of new jobs in the last couple of years. The entrepreneurial spirit is high. Small businesses are flourishing. More people own a home than ever before in our Nation's history. Productivity is high.

This economy is strong, and we intend to keep it that way. And one reason it's strong is because we cut the taxes on the American people. We didn't cut just some taxes; we cut taxes for everybody who pays taxes. Talent and I don't believe we use the Tax Code to play political favorites. We said, "If you're paying taxes, you deserve tax relief." And guess who benefits? People with children; investors, because we've reduced the dividend—the taxes on dividends and capital gains; small businesses—most small businesses pay tax at the individual income tax rate because they're sole proprietorships or subchapter S's. When you hear them talking about, "Oh, we're just going to tax the rich," what Talent's opponent is really saying is, "We're going to tax small businesses," and that's bad for job creation in Missouri. Jim and I believe we need to get rid of the death tax once and for all.

You know, it's amazing when you listen to the debate up there in Washington about the budget. We've got a plan to cut the budget in half by—the deficit in half by 2009, and we're on our way to doing that. You know what's amazing is, when you cut the taxes, it causes the economy to grow. And when the economy grows, it yields more tax revenues than you anticipated. That's what's happening. That's what progrowth economic policies do for your budget.

The problem in Washington is, is that sometimes they take those revenues and don't apply it to the deficit; they apply it to additional programs, see. And so one of the reasons I like Talent so much is, he understands that to get the deficit cut in half, you got to be wise about spending your money. And we're doing a fine job on it.

Now, I recognize that the budgets have gone up—but for this reason: So long as we have a troops in harm's way, we're going to spend what is ever necessary to get he or she the equipment, the training, and the pay to win the war on terror. That's what we owe the folks. That's what we owe their families.

But we have cut nonsecurity discretionary spending, last year, and we intend to do it again this year. And that's hard to do because every program sounds good. But if you listen to the debate about—the other side—how they want to balance the budget, they say, "Let's just raise some taxes to balance the budget." That's not the way Washington works. If the other side gets in power, they will raise your taxes, and I promise you, they will figure out new ways to spend your money. The best way to balance the budget is to keep the taxes low and to set priorities with the people's money and to be wise and fiscally sound, just like Jim Talent is.

And I need this tool to be able to do my job: the line-item veto. And Jim Talent is one of the Senate sponsors and leaders on the line-item veto.

Health care is an issue. And so we took a look at the Medicare program. My attitude is this—and I know Jim agrees with me: If you're going to provide health care for our seniors, let's make sure it's modern. Makes sense for the taxpayers and certainly makes sense for the seniors. And the Medicare system—which was signed by Lyndon Baines

Johnson, by the way—had become stale and old. I will give you an example. Our system would pay for a ulcer surgery—20, \$15,000, whatever it costs—but not a dime for the medicine that would prevent the ulcer surgery from being needed in the first place. In other words, medicine was changing, but Medicare didn't.

And so we got together and said, "How can we improve this for the seniors? How can we make it work?" And we also added another feature to a new and improved Medicare. We said, "If you're poor, you shouldn't have to choose between medicine and food." We said, "If you're a poor senior, you shouldn't have to make that difficult choice of the medicine necessary to keep you going or the food necessary to keep you going."

And so we modernized Medicare. We improved the system. We delivered on behalf of the seniors. And Jim Talent gets a lot of credit for modernizing Medicare. And he's running against a person who said she would have voted against the bill, this bill that is positive for seniors, was necessary for our seniors. And I am proud to have signed it, and I am proud to have worked with Jim Talent to make the Medicare work better.

We have got a national security and economic security problem when it comes to energy. We've got to do something about our addiction to oil. I know it sounds odd for some to think—a Texan to say, but that's the way I feel. [*Laughter*] I understand the consequences of living in a global economy. When the demand for hydrocarbons goes up in China and India, it affects the price of gasoline here in St. Louis, Missouri. That's the way it works. I'm worried about a situation where sometimes we get our hydrocarbons from people that don't like us, and that creates a national security problem.

I'm proud to be standing side by side with Jim Talent and his efforts to promote alternative sources of energy like ethanol. He led the renewable fuel standard in the Halls of the United States Senate. He is more than a talker; he's a doer. He's getting stuff done for Missouri and the American people.

I appreciate his work on methamphetamine eradication. He's a leader in the United States Senate. You've got a problem

in Missouri, and we've got a problem around the country in methamphetamines. Jim Talent is working hard to deliver positive legislation and decent appropriations to fight methamphetamines. And I want to thank you for your fight and thank you for your struggle.

He gets things done. There's a lot of noise in Washington. But, you know, when you find somebody who is a positive person, who is able to accomplish things, you've got to send him back to Washington, DC. Talent can deliver for the people of Missouri and for the people of the United States. He's got a proven track record. He deserves to be reelected. I love his values.

I love the fact that he understands the judiciary needs to be filled with people who aren't going to legislate from the bench but will strictly interpret the Constitution of the United States. I'm proud that he stood up strong for Judge Roberts and Judge Alito, two really fine members of the Supreme Court. It's another issue in this campaign. Who do you want in the Senate to be able to confirm and battle for what kind of judges? You want judges that are—that understand the limitation of the judiciary. We got plenty of legislators in Washington. That's not the role of a judge. The judge is to interpret the Constitution of the United States. Jim Talent understands this. Most Missouri citizens understand the proper role of the judiciary. He's in tune with Missouri.

He's in tune with Missouri when it comes to taxes. He understands the farm issue. He understands small businesses. He is in tune with the elders and seniors of Missouri. He's a good man who's delivered a lot for the people of this State. He stands on solid moral ground. You don't have to worry about his honesty. You never have to worry about his integrity. He's a decent, honorable person that deserves reelection to the United States Senate. Thanks for coming, and God bless.

NOTE: The President spoke at 5:24 p.m. at the Ritz-Carlton. In his remarks, he referred to Melanie Anderson Blunt, wife of Gov. Matt Blunt of Missouri, and their son William Branch Blunt; Rachel Oliver, wife of Jack L. Oliver III, finance chair, Jim Talent for U.S. Senate; former President Saddam Hussein of Iraq; and Prime Minister Junichiro Koizumi of Japan.

### **Statement on Senate Confirmation of Henry M. Paulson, Jr., as Secretary of the Treasury**

*June 28, 2006*

I commend the Senate for moving swiftly to confirm Henry Paulson as Secretary of the Treasury. I look forward to working with Hank to keep our economy and financial markets strong, and to continue our efforts to choke off sources of terrorist financing. I thank Chairman Grassley, Senator Baucus, and Senator Schumer for their leadership during the confirmation process. I congratulate Hank and his family on his confirmation and thank him for his service to our Nation.

### **Letter to the Speaker of the House of Representatives Requesting Additional Funds for the Department of Veterans Affairs**

*June 28, 2006*

*Dear Mr. Speaker:*

I ask the Congress to consider expeditiously the enclosed fully offset FY 2006 request for the Department of Veterans Affairs (VA) to address the security of personal information of veterans and service personnel.

I am requesting these additional resources for VA to cover the increased costs to the VA information technology account in FY 2006 as a result of providing credit monitoring and fraud watch services for veterans and service members impacted by a security breach that occurred on May 3, 2006. The total cost of this effort, estimated to be \$160.5 million in FY 2006, is fully offset.

The details of these proposals are set forth in the enclosed letter from the Director of the Office of Management and Budget.

Sincerely,

**George W. Bush**

### **Remarks at a Welcoming Ceremony for Prime Minister Junichiro Koizumi of Japan**

*June 29, 2006*

**President Bush.** Good morning. Laura and I are welcome—are proud to welcome